#### **MINUTES**

# MONTANA SENATE 58th LEGISLATURE - REGULAR SESSION

## COMMITTEE ON STATE ADMINISTRATION

Call to Order: By CHAIRMAN JOHN COBB, on February 14, 2003 at 3:00 P.M., in Room 335 Capitol.

## ROLL CALL

#### Members Present:

Sen. John Cobb, Chairman (R)

Sen. Mike Sprague, Vice Chairman (R)

Sen. Kelly Gebhardt (R)

Sen. Carolyn Squires (D)

Sen. Mike Wheat (D)

Members Excused: None.

Members Absent: None.

Staff Present: Pat Murdo, Legislative Branch

Mona Spaulding, Committee Secretary

**Please Note**. These are summary minutes. Testimony and discussion are paraphrased and condensed.

#### Committee Business Summary:

Hearing & Date Posted: HB 218, 2/8/2003; HB 151, 2/8/2003;

SB 322, 2/6/2003

Executive Action: HB 151; SB 322; SB 204; SB 239; SB

355; SB 339

#### HEARING ON HB 218

Sponsor: REPRESENTATIVE SYLVIA BOOKOUT-REINICKE, HD 71, ALBERTON

<u>Proponents</u>: Roger Chalmers; Shawn T. Driscoll, Department of Justice (DOJ), Montana Highway Patrol (MHP); Jim Greene, Department of Emergency Services (DES); Pat Keim, Burlington Northern-Santa Fe (BNSF); Tom Schneider, Public Service Commission (PSC)

Opponents: None.

Opening Statement by Sponsor: REP. SYLVIA BOOKOUT-REINICKE, introduced HB 218 as the Montana High Level Radioactive Waste and Transuranic Waste Transportation Act, and distributed a letter from GOVERNOR JUDY MARTZ EXHIBIT (sts33a01), and an information sheet concerning nuclear fuel and waste EXHIBIT (sts33a02). REP. BOOKOUT-REINICKE said during the energy crisis of the 1970's and early 1980's, the federal government promised utility companies to get rid of their nuclear waste if they would build nuclear power plants. Ninety percent of utility company nuclear waste is re-processible, leaving two percent plutonium waste. President Carter decided he did not want to store the two percent waste, and discontinued the policy. Meanwhile, utility companies in the United States, Canada, and world wide have been cooling plutonium waste products in ponds. The federal government is obligated to do something with nuclear waste products.

The plan is to store nuclear waste at Yucca Mountain in Nevada. REP. BOOKOUT-REINICKE has toured the site at Yucca Mountain. She said the time frame calls for the site to be completed by 2010, though it is not expected to be complete then. Local responders will begin training in 2007. Quantities of waste to be transported, and transportation routes are to be determined by 2005. At the end of 2003, this year, an agreement on transportation with be made, whether to transport by truck or rail. The federal government will make decisions in collaboration with states. Governor Martz has requested that Montana be included in the planning process. See EXHIBIT (1) Representatives will be sent to meet with the Department of Energy (DOE).

REP. BOOKOUT-REINICKE said Yucca Mountain is the safest place, geologically, to store nuclear waste. The soil is "perfect," water cannot get down into tunnels, and the water level below the tunnels is down a couple thousand feet. The site is thought to be able to store nuclear waste for 10,000 years, which is the time it takes to become innocuous. The DOE wants the waste to travel to Yucca Mountain via the least populated routes, even if it takes longer. Transporting nuclear waste is going to be expensive.

REP. BOOKOUT-REINICKE told the Committee that before the legislative session started, the Department of Labor, the Highway Patrol, the Public Service Commission and others met. She said HB 218 will not cost any agency money, and that legislation needs to be on the books now so that the federal government doesn't come back saying Montana isn't a fee state, and it's too late to become one. Participating in the process will give Montanans a sense of safety, and some control of their destiny.

<u>Proponents' Testimony</u>: Jim Greene, Administrator, Disaster and Emergency Services (DES), Department of Military Affairs (DMA),

said that currently no high level nuclear waste material is moving through Montana. However, in the late 1980's and early 1990's, there were shipments through Montana to Hanford, Washington. She said most shipments to Nevada will begin according to the time line, but it is possible for shipments to come any time. HB 218 would allow Montana to be prepared. SEN. BOOKOUT-REINICKE said the U.S. DOE has hinted, since 9-11, that Montana could be come a route because it avoids large population centers. Shipments will probably be made by rail. HB 218 provides funding for additional security from the Highway Patrol, and funding to train first responders along the route. EXHIBIT (sts33a03)

Shawn Driscoll, Colonel, Highway Patrol, stood in support of HB 218, saying it was appropriate that the Highway Patrol, working cooperatively with the Department of Transportation, Disaster and Emergency Services, Public Service Commission, and others, be involved with public safety and notification of responders along routes used to transport hazardous materials in the State of Montana.

Tom Schneider, Public Service Commissioner (PSC), rose in support of HB 218 on behalf of the PSC. The PSC has a modest role, but supports the concept of HB 218.

Roger Chalmers, representing himself, rose in support of HB 218 saying it would support the railroad in their safety efforts.

Opponents' Testimony: None.

<u>Informational Testimony</u>: Pat Keim, Director, State Governors Affairs, Burlington Northern/Santa Fe, used a chart to indicate potential routes through Montana (not an Exhibit). Ultimately the material will move from Hartford to Yucca Mountain. Mr. Keim said other routes had been considered in Montana, but were improbable. He said he was willing to work with the committee's concerns and to answer questions.

Questions from Committee Members and Responses: SEN. CAROLYN SQUIRES asked if routes went through large cities. Mr. Keim said the probable route went through Spokane, Sandpoint, Missoula, and Butte. A second route takes off from Missoula, going to White Fish, Great Falls, and Billings. He noted that in Montana the idea of a large population center is different from other places. He said all routes go through Montana to Salt Lake City, and Salt Lake City is a big city by anyone's definition.

SEN. KELLY GEBHARDT asked Mr. Driscoll if he had looked at the bill. Mr. Driscoll said yes. SEN. GEBHARDT asked if he thought the fee schedule on page 3 was appropriate. The question

was re-referred to **Jim Greene**. **Mr. Greene** said the fees in HB 218 are based on those from Illinois.

- SEN. GEBHARDT asked about rulemaking authority. Mr. Greene said he didn't want regulatory authority because there wasn't legal staff to support it. SEN. GEBHARDT asked if he was concerned with the amount of the fee. Mr. Greene said until the state had experience, the proper fee amount was an unknown factor. {Tape: 1; Side: B}
- **SEN. GEBHARDT** asked for comment on emergency response. **Mr. Greene** said in an emergency, a road department could become an emergency response entity.
- **SEN. SQUIRES** asked about the fee for non-hazardous waste in Missoula. **Mr. Greene** said Montana doesn't require a fee for general hazardous materials going through the state . There are federal regulations that govern.
- SEN. SQUIRES said there used to be something in place that prohibited transport. Mr. Greene said it is a matter of interstate transportation and can't be overridden by the state. SEN. SQUIRES recalled that hazardous waste couldn't be transported along I-90. Mr. Driscoll said that ordinance would not override federal regulations.
- SEN. MIKE WHEAT said he understood Nevada to be challenging the dumping of radioactive waste. Mr. Greene said that was correct. He noted that material could still move through Montana without the Nevada site. It could go to Hanford, Washington as it did in the late 1980's-early 1990's. He said the issue was to find one safest site, and not to have lots of sites.
- SEN. WHEAT said he could understand that; also, that there are arguments for going through less populous areas, like Montana. Fewer people would be affected if there was an accident. He asked if there was a statute in Montana now. Mr. Greene said there was no statute prohibiting transport, and if there were, federal law would supercede it.
- **SEN. WHEAT** asked if money was available from the federal government for training. **Mr. Greene** said once the Nevada site was finalized, yes. Training would begin three years ahead of transport.
- **SEN. MIKE SPRAGUE** asked if the reason federal law superceded state law is because of interstate and intrastate transportation, and reciprocity. **Mr. Greene** said he didn't know. The question was re-referred to **Pat Keim** who said the state cannot impede interstate commerce.
- SEN. WHEAT asked Mr. Keim to comment on what assurance citizens had that railroad cars would protect them, and in his answer to consider wrecks, contamination, and container failures. Mr. Keim said it was not certain the material would move by rail. It could move by truck or some combination of rail and truck. He said heavier loads would be by rail, and most would move in

casks. The casks have been through extraordinary testing. He said if transported by rail, the material would move in special, dedicated trains with extra security and heavily armed guards.

**SEN. WHEAT** asked if the armed guards would be railroad employees or military. **Mr. Keim** said the Federal Department of Energy (DOE) has special training.

**SEN. WHEAT** asked if the manner of transportation was up to the council. **Mr. Keim** said the position the railroad took with the federal government was to have dedicated trains.

CHAIRMAN COBB asked if most material was moved in casks, and what sort of material was not. Mr. Keim said he was not sure.

CHAIRMAN COBB said the fees were determined by cask. He asked if material was moved some other way, if a fee would be involved.

SEN. SPRAGUE said the material would be moved by cask.

CHAIRMAN COBB asked if the penalty was too low, and the fine should be larger. Tom Schneider re-referred to Wayne Budt, Administrator, Transportation Division, PSC, said he didn't know and couldn't answer.

SEN. SPRAGUE asked if all casks were created equal. Mr. Keim said he didn't know. SEN. SPRAGUE asked if clothing would be put in a cask. The question was re-referred to the sponsor, REP. BOOKOUT-REINICKE, who said spent fuel rods are all designed and manufactured the same way.

**SEN. SPRAGUE** asked who would be liable. **Mr. Keim** said the U.S. Department of Energy. He clarified that there were three levels of liability: the U.S. Department of Energy; the owner of the material, which would be the Department of Energy or the utility; and the transport.

CHAIRMAN COBB said he still wondered about the fee if the material was not in a cask. He said the state would still have to be notified if the material was going through. Mr. Keim said for high level nuclear waste only. Clothing, etc., was probably not in that category.

SEN. GEBHARDT asked for a description of a level 6 inspection. Mr. Driscoll said level 1 and level 5 inspections are currently made on vehicles. Level 6 will be specific to this situation. SEN. GEBHARDT asked if he thought inspectors would do a good job of inspecting material if it was not in a cask. Mr. Driscoll said the Highway Patrol would be sure as best they could. He said there would be clear mandates. SEN. GEBHARDT asked if that would include Geiger counters, and dosimeters. Mr. Driscoll said yes.

**SEN. WHEAT** asked if the trucks to be used for ground transportation were specialized, and who owned them. **SEN. BOOKOUT-REINICKE** showed a sketch (not an EXHIBIT) depicting the casks.

SEN. WHEAT asked why, specifically, the bill was needed. Mr. Greene said the state could receive three-days notice of

shipment. Without any guidelines, the material could move through the State with no method to deal with it except the announcement. He said legislation to tweak the bill could be brought back at another session.

SEN. WHEAT asked if the design was considered sensitive information, and whether it was available to the public. Mr. Greene said he thinks it is available, and referred to a letter from the National Governors' Association. He asked that the committee not change language related to casks.

Closing by Sponsor: REP. BOOKOUT-REINICKE asked to be notified when the Committee took Executive Action on HB 218. She said the bill was to prepare Montana for the future. She said Governor Judy Martz is in favor of the bill, and will sign it. She reminded the Committee that the amount of the fee was moot if the material wasn't transported through Montana, and that future Legislatures can raise the fee. She said HB 218 was needed now. The PSC will involve other agencies to make rules. SEN. BOOKOUT-REINICKE said the federal government had researched seven locations. Geologically, Yucca Mountain was found to be the safest site. She said there is a problem involving signage: It isn't known how to place a sign so that 9,000 years from now, people will know the material is there. SEN. BOOKOUT-REINICKE said Illinois had a completely separate department to deal with nuclear waste, because they have power plants. People from Illinois have told her they never get money from the federal government on time. She said HB 218 addresses that problem. Montana will be involved in the planning process. Casks have gone through tests. She said accident risk is low.

### HEARING ON HB 151

Sponsor: REPRESENTATIVE BERNIE OLSON, HD 76, LAKESIDE

<u>Proponents</u>: Harold Blattie, Montana Association of Counties (MACO); Elaine Graveley, Elections Deputy, Secretary of State (SOS); REP. BERNIE OLSON, HD 76; Cory Bush, American Association of University Women (AAUW-MT)

Opponents: None.

Opening Statement by Sponsor: REP. BERNIE OLSON said HB 151 made a one word change: adding "least" to the language "election judges must be paid at <a href="least">least</a> the prevailing federal minimum wage . .." The bill originates from the Secretary of State's office. It allows county officials, where counties have the money to do so, to pay officials more than minimum wage. He said it was hard to find officials.

<u>Proponents' Testimony</u>: Elaine Graveley, Elections Deputy, Secretary of State (SOS), said she was a Clerk & Recorder, and she knows it is hard to get election judges at minimum wage.

Opponents' Testimony: None.

Questions from Committee Members and Responses: None.

Closing by Sponsor: None.

## EXECUTIVE ACTION HB 151

Motion/Vote: SEN. SPRAGUE moved that HB 151 BE CONCURRED IN.
Motion carried unanimously. SENATOR KELLY GEBHARDT will carry HB
151 to the floor.

### HEARING ON SB 322

Sponsor: SENATOR JON ELLINGSON, SD 33, MISSOULA

<u>Proponents</u>: Corlann Bush, American Association of University Women (AAUW-MT); Scott Crichton, Executive Director, American Civil Liberties Union of Montana (ACLU-MT); REPRESENTATIVE TOM FACEY, HD 67, Missoula; Justice John C. Harrison, Sr.; Dawell Holzer, AFL-CIO; Mark Mackin; Diane Sands, AAUW-MT

Opponents: None.

Informational Witness: Dulcy Hubbert, Office of Commissioner of
Political Practices (COPP); Chris Manos, State Bar of Montana;
Jim Scheier, COPP

Opening Statement by Sponsor: SENATOR JON ELLINGSON said SB 322 protected the quality of the judiciary, which in essence is its impartiality. He quoted U.S. Supreme Court Justice Anthony Kennedy, "the law makes a promise, a promise of neutrality. If the promise gets broken, the law as we know it ceases to exist. All that's left is the dictate of a tyrant, or perhaps a mob." SB 322 protects impartiality of the Supreme Court by providing candidates a choice of public financing for campaigns. It gives a candidate the ability to reject special interest contributions, and present him- or herself to the voters as a candidate who owes nothing to any special interest, and who, therefore, will consider each case with complete impartiality. SEN. ELLINGSON said there is a problem now on a national level and in neighboring states, and that Montana is beginning to see it. The

American Bar Association (ABA) has taken an interest in the issue. In a report issued by the Commission on Public Financing of Judicial Campaigns, the ABA Commission made observations: In order to cover escalating costs in judicial campaigns, judges must accept funds from contributors who may be interested in the outcome of cases before them. When judges make decisions that favor contributors, they may be accused of favoritism. They found a pervasive public perception that campaign contributions influence judicial decision making. SEN. ELLINGSON referred to campaigns in Texas and Florida where the amounts of money involved are enormous. Money is being funneled into those races by parties that have an interest in litigation they expect to come before the courts. SEN. ELLINGSON referred to a report, "Tipping the Scales: How Money Threatens the Independence of Idaho's Court." The conclusions of this study were that the past three Idaho Supreme Court elections have exceeded all others in special interest and partisan political activity; that the influence of money in court elections breeds cynicism and distrust in the public; that special interest groups spend over \$250,000 in often inaccurate, personal attack advertisements; and that most of the money comes from groups with a direct interest in the courts. SB 322 gives candidates the option of saying, "I'm not beholden to any of those interests. I'm clean." SEN. **ELLINGSON** said he is involved in a group called the Montana Citizens League (MCL). He distributed **EXHIBIT** (sts33a04) from the MCL which explains how public funding for judicial elections would be implemented, and **EXHIBIT(sts33a05)** amendments to SB 322. SEN. ELLINGSON reviewed the EXHIBITS. SEN. ELLINGSON said Linda Vaughey, Commissioner of Political Practices, has some administrative concerns. Some of those concerns are addressed in the bill, and there may be additional amendments.

<u>Discussion</u>: SEN. MIKE SPRAGUE asked if SEN. ELLINGSON thought SB 322 would be one of the top ten bills, and if there was a rush. SEN. ELLINGSON said he didn't know. It was decided to take Executive Action on SB 322 next Friday.

SEN. SPRAGUE asked what would be done with excess funds, if any. SEN. ELLINGSON said money could only be spent on campaign expenditures; if funds aren't spent the money stays in the debit account. Only \$100 can be taken out in cash per day, and expenditures must be receipted. Funds do not go into the constituency account to pay for constituent contact.

SEN. GEBHARDT asked if the first people sending in their returns would get the credit, or would it be prorated somehow? SEN. ELLINGSON said after the \$200,000 level was reached, the balance would go into the general fund.

<u>Proponents' Testimony</u>: Corlann Bush, President, Montana Association of University Women (AAUW-MT), said last May at the annual convention, AAUW-MT delegates developed the following statement in support of SB 322. "To guarantee equity and individual rights for a diverse society, AAUW-MT advocates the creation of a voluntary system of public campaign financing for qualified candidates for Montana Legislative, Congressional, and Supreme Court offices. We urge you favorable consideration of this bill."

REPRESENTATIVE TOM FACEY, HD 67, Missoula, said SB 322 is straightforward. It has a funding mechanism. He appreciates that it proposes doing things a different way—that is, a better way. He said it was optional, leveled the playing field, would result in a larger pool of candidates, and the big winner would be an increase in public trust.

Justice John C. Harrison, Sr., said he was supporting SB 322, which he hadn't seen. He served 34 years in the Montana Supreme Court, campaigning six times. Justice Harrison said Arizona has successfully passed similar legislation. He said he was thrilled, because anyone who has ever run for the court "with a cup in his hand, has done so embarrassed." Financing campaigns is not easy. He said SB 322 is necessary.

Mark Mackin, representing himself, said he strongly supported SB 322. It is important to maintain the impartiality of the courts. EXHIBIT(sts33a06)

Scott Crichton, Executive Director, American Civil Liberties Union of Montana (ACLU-MT), stood in support of SB 322. He said he spends a lot of time talking to young people about the importance of democracy, the rule of law, and the separation of powers; and in that discussion, talking about the importance of an impartial judiciary. He said it is a crucial part of what makes democracy work. Mr. Crichton mentioned the Institute on Money and State Politics, a national non-profit organization, with staff in Helena. They have done research related to campaign contributions to the Supreme Court. He said it was important for the Committee to look at their research. 63% of the cases before the court from 1991-1999 involved contributions of people who had interests before the court, and supplied nearly 30% of the campaign funds overall. He said the good news was that there was no statistical evidence that contributions resulted in any bias In 365 cases the money was on the winning side, and 370 cases the money was on the losing side. Mr. Crichton said it was easy to see the potential problems, especially as races become more expensive. He said the ACLU was often accused of being obstructionist about campaign finance reform because of free speech issues. He said publicly financed campaigns are good

alternatives for campaign reform. they maintain the strength of democracy and give people a sense of empowerment.

Diane Sands, State Vice-President, American Association of University Women for Public Policy, said other states currently have public election financing in place: Arizona, Maine and Vermont. They have all been through at least one election cycle. As a result of that experience, there is a record of the success of public financing for elections. In Arizona 29 of 34 candidates for state-wide offices participated, including seven of the eight major candidates for governor. She said it does help level the playing field and encourage people to run for office who don't have large personal fortunes to contribute to their own campaigns.

Opponents' Testimony: None.

<u>Informational Testimony</u>: Chris Manos, Executive Director, State Bar of Montana, and previously County Attorney, Sweetgrass County, and an attorney in private practice, endorsed the bill saying the judiciary has to be impartial, has to have independence, and has to have public trust. {Tape: 2; Side: A}

Questions from Committee Members and Responses: SEN. WHEAT asked if SB 322 was modeled off one of the other three states. SEN. ELLINGSON said it was model legislation prepared by an organization known as Public Campaign, a Washington, D.C. organization. He said the last legislative session he brought a bill providing public financing of legislative and state-wide races on that model. That legislation was broader than SB 322.

SEN. WHEAT asked if everyone could be financed. SEN. ELLINGSON said only those candidates for the supreme court who have raised one thousand \$5.00 qualifying contributions. SEN. WHEAT said if ten people do that, then the public finances ten campaigns in the primary. SEN. ELLINGSON said yes.

SEN. WHEAT said one thing problematic in any campaign is issue ads. Many times they are at the very end of the campaign. If two candidates, one being publicly financed and one not, get down to election week, an issue ad campaign blitz could be launched. He asked how that could be dealt with. SEN. ELLINGSON said there was no claim that SB 322 had all the answers, but there is recognition of that problem embedded in the legislation. Independent expenditures must be reported after they exceed a certain amount, within 48 hours of making the expenditure. During the last 20 days before the end of the campaign, those expenditures have to be reported within 24 hours. He said the was that with short time-frames, when an independent expenditure is reported that exceeds limits, the other candidate would have an opportunity to match that expenditure. Unless the independent

expenditure is made on the Monday before the election, which is possible, there is an opportunity to respond.

SEN. WHEAT asked if independent expenditures of both individuals and PACs (Political Action Committees) were taken into account. SEN. ELLINGSON referred to Section 15, "a person who makes or obligates an independent expenditure," saying an expenditure by entity would allow the other candidate to respond. He said problems arising in the last days of a campaign were problematic, but those problems were present in the current process.

SEN. SPRAGUE, commended SEN. ELLINGSON for bringing the bill, but thought the bill was broad. He said he "didn't know if there was a quid pro quo relative to income." He said a person's vote may be influenced, but didn't know if "money doesn't make you more of what you already are." SEN. ELLINGSON said if you don't have to make the phone calls for the bucks, what you could be doing is talking to people about issues. He said that was an important distinction in the kind of campaign that can be run as a Supreme Court candidate who is publicly funded. Second, he said it was important to recognize a clear distinction between who we are as legislators. Legislators can ethically represent interests, and campaign on them. Judicial candidates should no. Justice is supposed to be blind. When judicial candidates raise money, the public implicitly perceives them to be beholden to the people who gave support. SEN. ELLINGSON said he thought the Montana Supreme Court was without reproach; but, in the last Supreme Court Justice race, it was clear who was making contributions to Chief Justice Karla Gray and who was making contributions to Justice Terry Trewiler.

**CHAIRMAN COBB** recommended that the fiscal note be reduced to zero by the time SB 322 leaves Committee. **SEN. ELLINGSON** suggested moving the bill today for the purpose of putting an amendment on.

**SEN. SPRAGUE** said that anything that was done to reform elections needed to bring the media into the process. Elections wouldn't cost so much if the media was part of the solution.

<u>Closing by Sponsor</u>: SEN. ELLINGSON thanked the Committee.

## EXECUTIVE ACTION SB 322

<u>Motion/Vote</u>: SEN. SPRAGUE moved the AMENDMENTS TO SB 322. Motion carried unanimously.

### **EXECUTIVE ACTION SB 204**

<u>Motion/Vote</u>: SEN. GEBHARDT moved that SB 204 DO PASS. Motion carried unanimously.

#### EXECUTIVE ACTION SB 239

Motion/Vote: SEN. SQUIRES moved both sets of AMENDMENTS. Motion
carried unanimously. EXHIBIT(sts33a07) EXHIBIT(sts33a08)

Motion/Vote: SEN. SQUIRES moved that SB 239 DO PASS AS AMENDED.
Motion carried 3-2 with GEBHARDT and SPRAGUE voting no.

<u>Explanation</u>: SEN. GEBHARDT said he is concerned about cost, and thinks 5 years is too long. He said he hadn't seen the amendment.

## EXECUTIVE ACTION SB 355

Motion: SEN. SPRAGUE moved that SB 355 DO PASS.

<u>Discussion</u>: Pat Murdo said the amendment was suggested by the surveyor, asking that voluntary recording of the corner markers be included. **EXHIBIT**(sts33a09)

Motion/Vote: CHAIRMAN COBB moved the AMENDMENTS to SB 355 DO
PASS. Motion carried unanimously.

# **ADJOURNMENT**

Adjournment:	5:05 P.M.					
			SEN.	JOHN	COBB,	Chairman
			MONA	SPAULI	DING,	Secretary

JC/MS

EXHIBIT (sts33aad)